

HONORABLE FREDERICK P. CORBIT

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HEARING DATE: October 24, 2023
HEARING TIME: 11:30 a.m. Pacific Time
LOCATION: Via ZoomGov

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF WASHINGTON

In re

NB COMMONS, LLC,

DEBTOR.

No. 23-01053-FPC11

DECLARATION OF ARMAND R.
PASTINE IN SUPPORT OF
MOTION FOR APPROVAL OF DIP
FINANCING FACILITY

ARMAND R. PASTINE declares as follows:

1. I am Senior Managing Director and Head of Capital Markets and Business Advisory at Celadon Financial Group, LLC (“Celadon”). In addition, I oversee Celadon’s capital markets activity for both debt underwriting and debt and equity placements.

2. I have over 30 years of Wall Street experience arranging financings in the debt capital markets industry. Specific to this mandate, I have financed and/or underwritten over \$20 Billion of structured finance and municipal finance transactions in my career.

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FACILITY– Page 1

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1 3. Debtor NB Commons, LLC (the “Debtor”) has engaged Celadon to obtain
2 debt financing to satisfy the indebtedness currently held by an entity I will refer to as
3 Greyhawk. I have been actively working to secure that financing since even prior to
4 the formal approval of our engagement. I am confident in anticipating that we will be
5 successful in that effort in the next 60-75 days and will utilize all available efforts to
6 facilitate this outcome.

7 4. I am aware that the Debtor has filed a motion seeking approval of a debtor
8 in possession financing facility (the “DIP Facility”). As I understand it, the DIP
9 Facility would be secured by a deed of trust against the Debtor’s real estate project (the
10 “Property”) that would be subordinate to the first-position deed of trust that Greyhawk
11 holds. I am also aware that Greyhawk has objected to approval of the DIP Facility, in
12 part based on the notion that the Debtor should have been able to secure financing at
13 comparable terms, but on an unsecured basis.

14 5. Greyhawk is incorrect. I routinely operate in a variety of capital markets,
15 including markets where participants specialize in financing borrowers in speculative or
16 distressed circumstances. Given that the Debtor holds equity in the Property in excess
17 of the Greyhawk deed of trust, I am aware of no lender that would not condition any
18 financing on its receipt of at least a junior deed of trust or otherwise some secured lien
19 against the Property, even if it was subordinated. I am also aware of no lender that
20 would have proposed a facility of this size on an unsecured basis, regardless of the
21 financing terms.

22 6. In my opinion, the Debtor could have spent weeks and even months
23 futilely and ultimately unsuccessfully searching for unsecured financing, despite the

1 pace and needs of this case that is still less than 60 days old. Unsecured financing
2 would simply be unavailable or impractical at terms comparable to those offered in the
3 DIP Facility.

4 I declare under penalty of perjury under federal law that the foregoing is true and
5 correct to the best of my knowledge and belief.

6 DATED this 23rd day of October, 2023, at Fort Lauderdale, Florida, 33305.
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11 Armand R. Pastine
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